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M E M O R A N D U M

JANUARY 28, 1988

TO: BOSTON REDEVELOPMENT AUTHORITY
AND STEPHEN COYLE, DIRECTOR

FROM: RICARDO MILLETT, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT

SUBJECT: HOUSING CREATION PROPOSAL SUBMITTED BY
500 BOYLSTON STREET ASSOCIATES

EXECUTIVE
SUMMARY:

Five Hundred Boylston Street Associates, developer of 500 Boylston Street, has submitted two Housing Creation Proposals which would commit its linkage payments for the Western Component of the development, a total of \$2,975,425. to support the creation of affordable housing under the South End Neighborhood Housing Initiative (SENHI) program. Approximately \$1.7 million is committed to the Four Corners Development Corporation's project on Parcel RE-7B in the South End which will produce eight-four (84) units with fifty-six (56) affordable units. An additional \$1.2 million has been earmarked for the York Bay Development Corporation's housing proposal at Parcels R12-A and R12-B to produce seventy-seven (77) units, of which fifty-one (51) are affordable. The Neighborhood Housing Trust voted to recommend approval of these proposals on January 12, 1988. Approval of these Housing Creation Proposals is requested.

On June 28, 1985, Five Hundred Boylston Street Associates ("Five Hundred Boylston") entered into a Development Impact Project Agreement ("DIP Agreement") with the Boston Redevelopment Authority regarding the 500 Boylston Street project. The Five Hundred Boylston DIP Agreement with the BRA provides for the Western Component of the development to contribute a total of \$2,975,425 for housing creation. According to the DIP Agreement, Five Hundred Boylston may satisfy its housing linkage obligation to the City of Boston through a series of twelve (12) annual payments to the Neighborhood Housing Trust ("NHT"), or through an approved Housing Creation Proposal, or through some combination of the two options. The first linkage payment was paid on January 7, 1988.

Five Hundred Boylston is interested in sponsoring quality, well-planned affordable housing developments, and has met with representatives of both the Four Corners Development Corporation ("Four Corners") and the York Bay Development Corporation ("York Bay"). Five Hundred Boylston is impressed with the development teams and proposals, and would like the Housing Payment Exaction funds from the Western Component of 500 Boylston Street to be committed to these development projects. The linkage of the Five Hundred Boylston housing creation funds to the Four Corners and the York Bay developments will assist both these projects in obtaining commitments from additional financing sources necessary to establish the feasibility of these SENHI projects. Both development teams are competing for SHARP funds and MHFA mortgage financing.

The Four Corners Development Corporation, a non-profit neighborhood-based organization in the South End, was tentatively designated by the Boston Redevelopment Authority in October 1987 as the redeveloper of Urban Renewal Parcel RE-7B in the South End through the BRA's South End Neighborhood Housing Initiative (SENHI) competition. Four Corners proposes to build Langham Court, consisting of 84 units of cooperative and condominium housing. Consistent with BRA requirements for SENHI developments, one-third of the units will be affordable to low-income households, one-third to moderate-income households, and the remaining third will be priced at market levels.

Langham Court will have a dual ownership structure: roughly two-thirds of the 84 units will be a mixed-income limited equity cooperative, while the remaining one-third will comprise a mixed-income condominium. This mix will achieve resident ownership, and at the same time will ensure long-term affordability for low and moderate income households. In addition, it will maximize the financial value available to the development through equity investment. All parking will be underground, enabling approximately one-third of the land to be retained as landscaped open space. The structures are designed as brick rowhouses, matching traditional South End buildings.

The two sections of Langham Court, the cooperative and the condominium, have been designed as an integrated whole. The limited-equity cooperative, with primarily low- and moderate-income and some market-level households, will include large family units, handicapped residences, and Single Room Occupancy (SRO) units to replace some of the many affordable rooming house accommodations that have disappeared from the South End over the last fifteen years. The condominiums will be sold largely to market-price buyers, with a minority of the units sold to households at moderate-income levels through the Commonwealth's Homeownership Opportunity Program (HOP). The ownership structure of Langham Court will thus enable households with widely varied incomes to select from a variety of tenure, equity investment and unit types.

York Bay Development Corporation, an association of Urban Access and Calvin Johnson Associates, was tentatively designated by the Boston Redevelopment Authority in October, 1987 as the redeveloper of Urban Renewal Parcels R12-A and R12-B in the South End through the BRA's South End Neighborhood Housing Initiative (SENHI) competition. York Bay Development Association proposes to develop Parmelee Court, consisting of seventy-seven (77) residential units, 6880 square feet of commercial space, and 54 parking spaces. All of the units will be rental. Twenty-eight (28) units will be set aside for low income families, twenty-three (23) for moderate income households, and the remaining twenty-six (26) are to be rented at market rates.

York Bay intends to finance the \$11.8 million development cost through an MHFA mortgage, SHARP funds, and private low-income tax credit syndication. York Bay is also requesting additional monies from the Neighborhood Housing Trust in order to fill a remaining gap generated by the production of 51 affordable units in compliance with SENHI affordability guidelines. York Bay requests assistance in the amount of \$686,792. or \$13,467. per affordable unit. The nominal value of this amount over a 10 year period beginning in January 1990 is \$1,280,617.

Both the Langham Court and the Parmelee Court Creation Proposals were considered by the Neighborhood Housing Trust and recommended for approval to the Authority on January 12, 1988, with the condition that the funds should be committed for one calendar year pending SHARP approval. Copies of the votes are appended hereto.

It is requested therefore that the Housing Creation Proposals submitted by Five Hundred Boylston Street Associates for the Four Corners Development Corporation and the York Bay Development Corporation be approved.

An appropriate vote follows:

VOTED:

That the Authority finds after consideration of the evidence submitted at a public hearing on this date, January 28, 1988, regarding the Housing Creation Proposal submitted by Five Hundred Boylston Street Associates: (1) that Five Hundred Boylston is obligated to pay approximately \$2,975,425 in twelve (12) Development Impact Project Exactions payable in equal annual installments of approximately \$247,952 pursuant to Article 26 of the Boston Zoning Code and a Development Impact Project Agreement for the 500 Boylston Street development entered into by Five Hundred Boylston and the Boston Redevelopment Authority on May 21, 1984; (2) that Five Hundred Boylston submitted on January 12, 1988 two revised

Housing Creation Proposals pursuant to Section 26-3.2 of the Boston Zoning Code; (3) that the Neighborhood Housing Trust has reviewed said Proposals and has made recommendations to the Authority with regard thereto; (4) that the Four Corners Development Corporation is proposing to develop 29 units of condominium housing on Parcel RE-7B in the South End, of which 6 units will be affordable to moderate-income households and an additional 55 units of cooperative housing of which 50 units will be affordable to low- and moderate-income households; (5) that York Bay Development Corporation proposes to construct 77 units of which 28 are low-income rental units and 24 are moderate-income rental units on Parcel R-12A and R-12B on the South End Urban Renewal Area; (6) that a gap in the financing of said housing exists; (7) that but for the commitment of approximately \$1.7 nominal (or \$1.3 million net present value) to Four Corners and \$1.2 nominal (or \$686,000 net present value) to York Bay in additional funds said housing would not be built, and would not be affordable; (8) that application of the DIP Exactions from Five Hundred Boylston as proposed in its Housing Creation Proposal is necessary and appropriate to the development of said affordable housing on the South End sites.

AND FURTHER
VOTED:

That the Housing Creation Proposals submitted by Five Hundred Boylston on January 12, 1988 are hereby approved as submitted, together with the conditions recommended by the Neighborhood Housing Trust in their vote of January 12, 1988 (copies of the votes appended hereto and incorporated by reference herein);

AND FURTHER
VOTED:

That the Director be and hereby is authorized to enter into a Housing Creation Agreement pursuant to Section 9 of the Housing Creation Regulations and such other documents as may be necessary to implement the Housing Creation Proposals and ensure the successful development by Four Corners of condominium and cooperative housing units at Langham Court as affordable housing, and by York Bay Development Corporation for development of affordable rental housing at Parmelee Court, each on such terms and conditions as the Director may deem necessary and/or appropriate to ensure the successful implementation of said developments.

VOTE OF THE NEIGHBORHOOD HOUSING TRUST

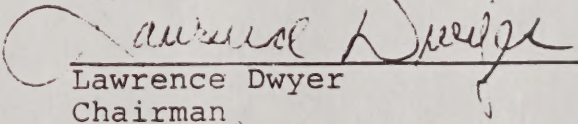
Approved at a Meeting of the Neighborhood Housing Trust

January 12, 1988

VOTED: That the Chair of the Neighborhood Housing Trust be authorized to recommend to the Boston Redevelopment Authority that the two Housing Creation Proposals submitted by the Five Hundred Boylston Street Associates on December 30, 1987, as amended on January 12, 1988 to assist in the creation of affordable housing units in the following two projects: 1) seventy-seven (77) rental units (of which fifty-one (51) units shall be affordable) in the South End by York Bay Development Corporation, and 2) eighty-four (84) cooperative and condominium units (of which fifty-six (56) units shall be affordable) in the South End by the Four Corners Development Development Corporation - be approved as submitted in an amount not to exceed \$2,975,425. contributed over twelve (12) years, with the proviso that said above-noted linkage commitment shall be terminated for each project if no award of SHARP funds is received by December 31, 1988 for that project, and together with such other minor amendments as may be required to implement said affordable housing developments.

Passed unanimously 1/12/88

Attested to on Behalf of the
Neighborhood Housing Trust



Lawrence Dwyer
Chairman